

MEMORANDUM OF UNDERSTANDING

ORGANIZED AUTOMOBILE FRAUD ACTIVITY INTERDICTION PROGRAM

COUNTIES OF RIVERSIDE AND SAN BERNARDINO

This Memorandum of Understanding (MOU) is a document reflecting the agreed upon operational commitments and obligations between the Riverside and San Bernardino County District Attorney's Offices, the California Department of Insurance, Fraud Division, and the California Highway Patrol for a coordinated effort aimed at the investigation and prosecution of organized automobile fraud activity. This MOU creates the framework for effective communication, coordination, and resource management in the investigation and prosecution of organized automobile fraud activity.

This MOU is being executed by the below listed agencies in connection with the Organized Automobile Fraud Activity Interdiction Program for the Counties of Riverside and San Bernardino. The agencies listed below jointly and separately agree to abide by the terms and provisions of this MOU throughout the duration of this agreement.

1. California Department of Insurance, Fraud Division, Rancho Cucamonga Regional Office.
2. County of Riverside and San Bernardino, District Attorney's Offices.
3. California Highway Patrol, Inland Division.

MISSION

The mission of the Inland Empire *Organized Automobile Fraud Activity Interdiction Program* is to investigate and prosecute organized automobile insurance fraud activities using coordinated investigative and prosecution resources.

PROGRAM OBJECTIVES

1. Utilize state and regional resources in a coordinated manner to reduce the impact of organized automobile insurance fraud, economic auto-theft and related criminal activity.

2. Coordinate undercover operations among the participant agencies to investigate and prosecute criminal activities associated with automobile insurance fraud and economic auto theft.
3. Investigate, arrest and prosecute individuals and criminal enterprises that commit or conspire to commit automobile insurance fraud, including economic auto theft, staged auto collisions, containerized cargo theft, and related crimes as stated in Section 1874.8(g), California Insurance Code.
4. Use contemporary technology to develop investigation and prosecution strategies to reduce organized automobile insurance fraud activity.
5. Develop investigation and prosecution strategies that will significantly and measurably reduce the incidence of organized automobile fraud in urban areas of the state.
6. Provide technical assistance and expertise to allied agencies on specific organized automobile fraud activity within their respective jurisdictions.
7. Establish liaison and communication between allied agencies, the insurance industry, and other public and private sectors to enhance intelligence and informant development.
8. Utilize local media sources to publicize the successful investigation and prosecution of cases and to inform the general public of the criminal consequences of auto insurance fraud and other associated theft activity.

GENERAL AGREEMENTS

It is agreed between participants:

1. PARTICIPANTS

The Inland Empire *Organized Automobile Fraud Activity Interdiction Program*, hereafter known as the "*Program*," will be comprised of investigators from the CDI Fraud Division and the California Highway Patrol, and investigators and prosecutors from the Riverside/San Bernardino District Attorney's Offices covered by this MOU. Other members of the Program may include personnel from the signed participants to this MOU or as otherwise permitted by this agreement.

2. REGIONAL COORDINATOR

The Regional Coordinator shall be: one of the following:

Supervising Criminal Investigator from the Riverside County District Attorney's Office
Supervising Criminal Investigator from the San Bernardino County District Attorney's Office
Chief Investigator from the CDI Fraud Division

to be mutually agreed upon by the MOU participants. By further mutual agreement, the Regional Coordinator shall have overall responsibility for the administration and management of investigative resources covered by this MOU and will be directly accountable to the MOU Oversight Committee for program operations.

The Regional Coordinator shall act as the liaison between the participating agencies and the CDI Fraud Division. On an annual basis, the MOU Oversight Committee shall review the performance of the Regional Coordinator and, if necessary, recommend a personnel change at the level and / or adjustments to fulfill the program objectives.

The Regional Coordinator shall prepare a quarterly operational report outlining the activities of the Regional Program including the number of opened and assigned cases, the number of investigative hours, including overtime, and all investigative funds expended on each case. The report shall also include a summary of all significant Program activity, including the numbers and types of search warrants executed, arrests, cases filed, and the results of all prosecutions and convictions obtained by the Program district attorneys. The report shall be presented to the executive staff of the Fraud Division, the California Highway Patrol and the Riverside/San Bernardino County District Attorney's Offices identified by this MOU within 30 days following the end of the calendar quarter. All reports on the activities of the regional program are to be treated as "confidential" work product of the MOU participants.

3. INVESTIGATIONS SUPERVISOR

The Regional Program Investigations Supervisor shall be a Supervising Criminal Investigator I from the CDI Fraud Division that is mutually agreed upon by the MOU participants. The supervisor shall be responsible for the daily investigative activities and operations covered by the MOU. The Supervisor is responsible for the direct supervision of the activities of the assigned investigators, investigative assistants, and other support personnel. The Investigations Supervisor may be delegated such additional responsibilities as agreed upon by the MOU participants.

4. MOU OVERSIGHT COMMITTEE

The MOU Oversight Committee shall consist of the Division Chief of the Fraud Division (or other appointee of the Insurance Commissioner), the Commissioner of the California Highway Patrol (or his appointee) and a designee from the county district attorney signing and agreeing to this MOU.

The MOU Oversight Committee will be responsible for monitoring the implementation of resolving disputes concerning the operational commitments and obligations of the MOU. The Committee shall meet as necessary but no less than semi-annually. The Division Chief of the Fraud Division (or other appointee of the Insurance Commissioner) shall serve as the chairperson of the MOU Oversight Committee. Nothing in the MOU is intended to otherwise limit or affect the authority of the Insurance Commissioner over this Program.

Nothing in the MOU shall be interpreted as interfering with or affecting the independent prosecutorial discretion of the District Attorney's Office as it relates to any prosecution arising out of this program. Ultimate prosecution or non-prosecution decisions shall remain entirely within the discretion of the District Attorney's Office.

All decisions by the MOU Oversight Committee shall be unanimous.

5. CLERICAL

Clerical support for the investigations will be provided to the Program by the Fraud Division to facilitate normal clerical duties associated with an investigative unit.

6. TRANSCRIPTIONS

If budgeted as requested, the Riverside and San Bernardino County District Attorney's offices will each provide a legal transcriber to assist with the transcription of program audio and video recordings, related to on going program investigations. The legal transcribers will work in their respective district attorney offices. Investigative personnel will be responsible for all tape duplication, and transportation to and from the district attorney offices for transcription purposes. Investigative personnel will review, proof- read and edit, typed transcripts in a timely manner and will return corrected transcripts in a timely manner.

7. PROGRAM PERSONNEL

The Inland Empire Organized Automobile Fraud Activity Interdiction Program shall be designed to bring from the member agencies the highest level of experience and expertise to jointly combat organized automobile insurance fraud activity.

Investigative personnel from participating agencies will include only the most motivated and responsible persons who, in the opinion of their agency supervisors and managers, are rated above their contemporaries in displaying sound judgment in stressful situations, are very adaptable to changing situations, possess clear and concise written and oral communications skills and have above average interpersonal skills working in a small unit environment. Any District Attorney Investigator funded by this grant would be specifically housed and supervised within the District Attorney Bureau of Investigations so as to work directly with the Organized Automobile Fraud Activity Interdiction Program attorneys. Otherwise, regardless of the agency of origin, investigative personnel assigned to joint investigations covered by this MOU shall be under the direct supervision of the Regional Program Investigations Supervisor.

Ideally, investigative personnel assignments to the program should be for the period of the grant, but may be modified by mutual agreement of the Program member and/or agency of origin. The salaries, benefits, overtime and travel expenses of each program member shall be borne by the member's parent agency.

Investigative personnel not maintaining acceptable standards of performance or refusing to comply with the policies and procedures as outlined in the Inland Empire Automobile Fraud Activity Interdiction Program Standard Operating Procedures manual (SOP) may be removed from the Program and transferred back to their agency of origin. Whenever there is cause to remove any member, the Investigations Supervisor shall discuss the issue with the appropriate contributing agency manager and resolve the issue. Issues not resolved at this level shall be referred to the MOU Oversight Committee for resolution.

Personnel assigned to the Program shall be deemed to be continuing under the employment of their respective jurisdictions, and shall have the same powers, duties, privileges,

responsibilities, and immunities as are conferred upon them by their own jurisdictions.

All terms and conditions of an employee's labor contract shall be in effect, and shall be abided by, even though the employee is assigned to the Program.

8. INVESTIGATION/PROSECUTION STRATEGY

The routine investigative strategy regarding case development and direction shall be the responsibility of the Regional Program Investigations Supervisor. For the purpose of increasing investigative and prosecution effectiveness, representatives from the program participants shall meet on a monthly basis to discuss investigation strategies, ongoing prosecutions, and other relevant issues necessary for achieving program objectives. In addition to such monthly litigation meetings, the assigned Riverside/San Bernardino County deputy district attorney(s) shall be contacted on a regular basis for updates, legal opinions and guidance. "Vertical prosecutions" shall be used on all cases investigated under the Program.

A "vertical prosecution" for this MOU means that all supervisors and investigators will work together with the assigned Program deputy district attorney(s) at the earliest possible opportunity in the investigation and build the investigation from inception through prosecution and final adjudication.

The prosecutor(s) shall be available to provide legal review and shall file Program cases warranting a criminal complaint or indictment. The prosecutor(s) shall retain sole charging, filing, and settling authority for all cases.

9. INFORMANTS

The use of informants shall comply with the laws of the State of California and the policies of the MOU participants. This policy shall be expressed by way of an addendum to this MOU or covered in the Inland Empire Organized Automobile Fraud Activity Interdiction Program SOP.

10. INVESTIGATIVE FUNDS

The use of investigative funds shall be consistent with the existing policies of the MOU participants and the laws of the State of California. The Chief Investigator of the Rancho Cucamonga Regional office is responsible for maintaining and accounting for these funds.

11. LIABILITY

Each agency participating in the Program shall be responsible for the acts of its respective participating member(s) as well as for any losses, damages, claims, demands, or other liabilities arising out of that member's services and activities while participating in the Program. Each participating agency shall also be liable for any and all workers' compensation benefits for personnel employed by them who are injured in the course and scope of their duties while assigned to this Program.

12. HOUSING

The location and responsibilities for housing the investigative and clerical activities shall be agreed upon by the MOU participants.

13. EQUIPMENT

Each participating agency shall provide an undercover vehicle for its investigator(s) for their tenure on the Program at Program expense. The maintenance, fuel costs and liability coverage for these vehicles shall be at the expense of each participating agency

The Fraud Division will provide the software and training for use of its Fraud Investigator Case Management System (FICMS) and the Fraud Integrated Database (FIDB) to all investigative personnel assigned to the program in order to accurately record case activity and track program statistics.

The contributions of other participating agencies shall be negotiated, and shall be based on what items and funding each agency has available. Participating agencies shall provide safety equipment, laptop computer and miscellaneous surveillance items in support of their assigned investigative personnel. Additional resources may be provided as agreed by the MOU participants.

All equipment purchased by an individual agency via program funds is the property of that agency, and shall remain with that agency upon termination of that agency's participation in the program

14. TRAINING

Program investigators shall maintain their training proficiency in the use of firearms, arrest and control procedures. Additional on-going training in the areas of surveillance techniques, search and seizure and undercover operations shall be initially identified by addendum to this MOU and updated as needed. Program members are expected to maintain any additional training requirements dictated by their employing agencies.

Providing each agency can fund its participants, personnel assigned to the Program shall attend the annual CDAA Insurance Fraud Conference and investigative personnel shall also participate in all training exercises that the Supervisor deems necessary to maintaining an effective and proficient team. Participation in program training exercises shall not dismiss a member's duty to attend all required training established by the member's parent agency.

15. MEDIA

The release of media information regarding Program operations shall be consistent with the existing policies of the MOU participants and the laws of the State of California. The release of media information regarding Program operations shall be coordinated through the Program Coordinator and the San Bernardino and Riverside County District Attorney's Office Media Coordinators.

Release of media information regarding officer involved shootings, vehicle accidents or other individual personnel matters shall be handled by the agency(ies) employing the individual investigator.

16. STANDARD OPERATING PROCEDURES

All Inland Empire Organized Automobile Fraud Activity Interdiction Program members shall abide by a SOP manual, which shall be prepared by the Regional Coordinator, Investigations Supervisor and the MOU Oversight Committee. The SOP shall specify policies and procedures for the joint investigation, and shall include, at a minimum, the following specific items:

- mission statement
- program objectives
- operational strategy
- duty statements
- conflict resolution procedures
- use of force policy
- vehicle accident procedures
- complaint procedures
- disciplinary action
- time reporting procedures
- document control procedures
- policy and procedure for amending the SOP
- use of funds for undercover operations

Program member evaluations, citizens' complaints and internal investigations shall be handled by the member's parent agency, with input from the Investigations Supervisor. Disciplinary actions will be approved solely by the affected members parent agency. In inquiries involving areas of mutual concern, participating agencies will provide the name, rank and telephone number of a liaison supervisor responsible for investigating the matter.

17. TERM OF AGREEMENT

This Agreement, contingent upon available funding, commences on July 1 2003, and shall remain in effect for the grant period of a consecutive 36-month period commencing with the month as provided in the grant period. Any agency desiring to terminate its participation in this Agreement shall indicate such intent in writing to the CDI Fraud Division. The termination shall be deemed to take effect not less than 30 days after receipt of written communication or upon a date established by mutual agreement.

18. AMENDMENTS TO THE MEMORANDUM OF UNDERSTANDING

The MOU Oversight Committee may amend any portion of this agreement at any time by doing so in writing and having the proposed modifications signed by all parties.

19. SIGNATURES

The undersigned represent that they have the authority to execute the Agreement on behalf of their respective agencies/departments and, in signing this Agreement, represent a concurrence with and support of the Inland Empire Organized Automobile Fraud Activity Interdiction Program as set forth in this Agreement and for the period and purposes stated herein.

Chief Investigator
CDI Fraud Division
Rancho Cucamonga Regional Office

Date

District Attorney
County of Riverside

Date

District Attorney
County of San Bernardino

Date

Chief
California Highway Patrol
Inland Division

Date